

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE NEED FOR PUBLIC)	CASE NO.
INTEREST PAYPHONES IN KENTUCKY)	2003-00492

O R D E R

The Commission, on its own motion, herein establishes an investigation into the need for public interest payphones in Kentucky. Public interest payphones have been addressed previously by this Commission in Administrative Case No. 361.¹ In that proceeding, the Commission determined that there was no need to establish programs to support payphone deployment, based on the ongoing incumbent local exchange carrier ("ILEC") obligations pursuant to 807 KAR 5:061, Section 11.² The Commission stated that "it is vitally interested in ensuring that adequate numbers of public interest payphones are available throughout Kentucky."³ However, it deferred any action regarding the insufficiency of payphone deployment in Kentucky and the need for public interest payphones until such time as an interested party demonstrated that payphone providers no longer meet the public's need.⁴

¹ Administrative Case No. 361, Deregulation of Local Exchange Companies' Payphone Service, Order entered January 5, 1999.

² Id. at 5.

³ Id. at 6.

⁴ Id.

In Case No. 2003-00261,⁵ the Commission granted the request of payphone provider BellSouth Public Communications, Inc. (“BSPC”) to withdraw from the Kentucky market. However, the Commission denied the request of BellSouth Telecommunications, Inc. (“BellSouth”) for a deviation from the regulatory requirement that it provide at least one payphone per telephone exchange. The Commission held that BellSouth should be required to ensure that at least one payphone is available in each exchange, either by contracting with a third party or by affirming that a competitive payphone provider currently provides service in that exchange, pending the outcome in this docket.⁶

Several parties to Case No. 2003-00261, including Metro Human Needs Alliance (“MHNA”), requested that the Commission open a docket to determine the need for public interest payphones in Kentucky and, if a need is established, to adopt a funding mechanism for these payphones. Accordingly, we open this proceeding today. Persons who were parties of record or otherwise expressed an interest in payphone deployment have been made parties of record in this proceeding.

In the interest of ensuring that payphone service for all areas of the state is adequate, we also make all ILECs providing service in Kentucky parties to this proceeding. Within 45 days of the date of this Order, each ILEC shall file a statement as to whether it currently complies with 807 KAR 5:061, Section 11; whether it plans to

⁵ Case No. 2003-00261, Petition of BellSouth Public Communications, Inc. For Withdrawal From Provision of Payphone Service in Kentucky, and motion of BellSouth Telecommunications, Inc. for deviation from 807 KAR 5:061, Section 11. Order entered December 23, 2003.

⁶ Id. at 4.

continue such compliance; and, if it does not wish to comply, whether an alternative payphone provider does business in each of its exchanges.

IT IS THEREFORE ORDERED that:

1. An investigation into the need and funding of public interest payphones in Kentucky is herein established.

2. Within 45 days of the date of this Order, persons shall file comments regarding proposals for determining the need for public interest payphones and for funding those payphones if a need is established. These comments should include opinions regarding the determinations made by the Indiana Utility Regulatory Commission in Access Charge Reform and Universal Service Reform, Cause No. 40785, entered September 18, 1998.

3. Those persons whose names appear on the service lists for Administrative Case No. 361 and Case No. 2003-00261 shall be made parties to this proceeding.

4. All ILECs providing service in Kentucky are hereby made parties to this proceeding.

5. Each ILEC shall file, within 45 days of the date of this Order, a statement as to whether it currently complies with 807 KAR 5:061, Section 11; whether it plans to continue such compliance; and, if it does not wish to comply, whether an alternative payphone provider does business in each of its exchanges.

Done at Frankfort, Kentucky, this 24th day of December, 2003.

By the Commission

ATTEST:

Deputy Wm H. Fowler
Executive Director

Case No. 2003-00492